

**ARIZONA DEPARTMENT OF ADMINISTRATION - GENERAL SERVICES**
**A.R.S. § 41-791**

<b>General Fund and Other Appropriated Funds</b>	<b>FY 1998 Actual</b>	<b>FY 1999 Estimate</b>	<b>FY 2000 Approved</b>	<b>FY 2001 Approved</b>
FTE Positions	251.0	265.5	295.5 <sup>1/</sup>	295.5 <sup>1/</sup>
Personal Services	5,085,600	5,758,100	5,869,900	5,987,300
Employee Related Expenditures	1,351,200	1,453,300	1,442,600	1,510,900
Professional and Outside Services	41,500	19,200	19,200	19,200
Travel - In State	140,300	112,800	112,800	112,800
Travel - Out of State	400	2,000	2,000	2,000
Other Operating Expenditures	1,456,400	1,531,000	1,544,600	1,546,200
Equipment	63,600	101,100	85,600	81,600
<b>Operating Subtotal</b>	<b>8,139,000</b>	<b>8,977,500</b>	<b>9,076,700</b>	<b>9,260,000</b>
Motor Pool	6,576,400	10,154,800	10,307,000 <sup>2/</sup>	12,859,900 <sup>2/</sup>
Relocation	8,600	60,000	60,000	60,000
Utilities	5,809,800	6,044,900	6,000,000	6,000,000
Unoccupied Lease-Purchase	0	42,800	23,200	23,500
Operations and Maintenance	0	1,371,200	1,327,900	1,338,200
Surplus Property	0	0	2,559,400	2,888,900
Preventive Maintenance Plan	0	0	501,000 <sup>3/</sup>	504,900 <sup>3/</sup>
<b>Total Appropriations</b>	<b>20,533,800</b>	<b>26,651,200</b>	<b>29,855,200 <sup>4/</sup></b>	<b>32,935,400 <sup>4/</sup></b>
<b>Fund Summary</b>				
General Fund	6,203,800	6,834,600	6,434,400	6,980,700
Capital Outlay Stabilization Fund	7,300,100	7,821,300	8,786,800	8,419,800
Corrections Fund	453,500	469,300	439,700 <sup>5/</sup>	447,900 <sup>5/</sup>
Motor Vehicle Pool Revolving Fund	6,576,400	10,154,800	10,307,000	12,859,900
Lease-Purchase Building Operating and Maintenance Fund	0	1,371,200	1,327,900	1,338,200
State and Federal Surplus Property Funds	0	0	2,559,400	2,888,900
<b>Total Appropriations</b>	<b>20,533,800</b>	<b>26,651,200</b>	<b>29,855,200</b>	<b>32,935,400</b>

**Program Description ?** *General Services is comprised of Tenant Services, Building and Planning Services, Construction Services, and Special Services. Tenant Services manages Arizona Department of Administration-owned buildings in the Capitol Mall and provides maintenance and janitorial services. Building and Planning Services and Construction Services plan and manage the design and construction of state prisons and office buildings, review all state construction projects, inspect the condition of non-university buildings at least once every 4 years, and develop a biennial Capital Improvement Plan. Special Services operates the state Motor Pool, surplus property yard, print shop, and interagency mail services.*

<sup>1/</sup> Includes 64 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

<sup>2/</sup> It is the intent of the Legislature that the department not replace vehicles until an average of 5 years and 100,000 miles, or later. (General Appropriation Act footnote)

<sup>3/</sup> Before the expenditure of the \$501,000 in FY 2000 from the Preventative Maintenance Special Line Item, the Department of Administration shall submit to the Joint Legislative Budget Committee its plan for preventative maintenance. The plan shall consist of the various equipment that would be covered under the plan, the proposed schedule for maintenance of the equipment and records that will be kept in computerized format on all preventative maintenance activities. By November 1, 2000 the department shall report to the Joint Legislative Budget Committee on the benefits provided by the preventative maintenance activities. (General Appropriation Act footnote, as adjusted for state employee pay increase)

<sup>4/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum by Fund with Special Line Items for Utilities, Relocation, and Preventative Maintenance. General Appropriation Act funds for Surplus Property are appropriated as a Lump Sum by Program.

<sup>5/</sup> It is the intent of the Legislature that the amount appropriated from the Corrections Fund be expended solely for the oversight of construction projects benefiting the State Department of Corrections or the Department of Juvenile Corrections. (General Appropriation Act footnote)

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**Technical Issues** — The FY 2000 approved amount includes a total of \$62,100 from the General Fund for the purchase of 3 electric carts, 1 lawn and garden tractor, 1 riding mower and telecommunications equipment. The amount is continued in FY 2001 for additional equipment of the same make-up. The approved amount also includes a total of \$16,500 in FY 2000 from the Capital Outlay Stabilization Fund (COSF) for the purchase of computer equipment. In FY 2001, this amount is reduced by \$(4,000). Lastly, the appropriation includes a total of \$7,000 from the Corrections Fund in each FY 2000 and FY 2001 for computer equipment.

**Motor Pool** — This Special Line Item funds the operation of the state Motor Pool, which provides vehicles and related services to state agencies. The Special Line Item is funded from the Motor Pool Fund and includes 19 FTE Positions. The FY 2000 approved amount includes the following: 1) a decrease of \$(11,200) for rental space no longer occupied by the department and 2) an increase of \$201,000 to fund the department's supplies and repair/maintenance contract. The FY 2001 amount includes a further increase of \$2,537,200 to reflect vehicle costs in the most recent state bid process. The amount is based on replacement of 370 passenger vehicles and 1 freightliner truck in each FY 2000 and FY 2001. Funding for vehicle replacement is based on the department purchasing primarily alternative fuel vehicles and includes a 5% annual increase in the price of vehicles; however, the funding for these cost increases is delayed until FY 2001.

The General Appropriation Act also includes a FY 2001 increase of \$1,651,000 from the General Fund and \$2,411,500 from other funds to allow state agencies to pay higher Arizona Department of Administration (ADOA) Motor Pool rates. These amounts are not appropriated to ADOA, but are appropriated in Section 110 of the General Appropriation Act as a lump sum to be allocated to other state agencies. Amounts will be determined by the JLBC Staff by July 1, 2000, based on the vehicle usage of each agency. These amounts will then be allocated to individual agencies by the ADOA General Accounting Office. The funding will allow the department to increase FY 2001 rates to the level required to support operation of the vehicle fleet. In recent years the Motor Pool has charged rates below a cost-recovery level by deferring vehicle purchases and expending its surplus fund balance.

**Relocation** — The approved amount from COSF is intended to fund unanticipated agency relocations. The amount is based on \$3 per square foot for 20,000 square feet.

**Utilities** — This Special Line Item funds utility charges (including electric, water, gas, and garbage disposal) in buildings located on the Capitol Mall and Tucson Office Complex. The approved FY 2000 amount of \$6,000,000 from COSF represents a \$(44,900), or (0.7)% reduction

from FY 1999. The \$6,000,000 is continued in FY 2001. As a result of the state's significant investment in lighting and cooling upgrades, expenditures in this Special Line Item have not changed significantly since FY 1995. Because of state and federal legislation, which deregulates the utility industry to introduce competition between electricity providers for services to the public beginning in 1999, the cost for utilities is expected to drop in future years. However, it is not possible to predict when the expected reduction in cost will occur because lawsuits and administrative rulings are delaying open competition.

**Unoccupied Lease-Purchase** — The approved amount from COSF funds the payments on vacant "state-owned" lease space. The amount in FY 2000 consists of \$19,500 for the Tucson State Office Building and \$3,700 for the Kingman State Office Building. The amount in FY 2001 consists of \$19,700 for the Tucson State Office Building and \$3,800 for the Kingman State Office Building.

**Operations and Maintenance** — Laws 1997, Chapter 210 appropriated the Lease-Purchase Building Operating and Maintenance Fund for the first time in FY 1999. The approved amount reflects, beginning in FY 2000, a reduction of \$(43,300) from FY 1999 based on actual expenditures. Monies fund 15 FTE Positions to perform required services on 7 buildings that were acquired through lease-purchase financing. The buildings are located away from the Capitol Mall but are operated and maintained by ADOA. For FY 2000 and FY 2001, agencies which occupy these buildings are budgeted \$4.48 per gross square foot for these services, which include custodial, landscaping, repairs, and utilities. Monies are appropriated in individual agency budgets and transferred to the fund for appropriation to ADOA.

**Surplus Property** — The State and Federal Surplus Property Funds were converted to appropriated status by Laws 1998, Chapter 241. The Surplus Property program collects and sells used state and federal property to state agencies, political subdivisions, and non-profit agencies. The FY 2000 approved amount includes a total of \$2,559,400 and 23 FTE Positions to appropriate these funds for the first time. The FY 2000 amount includes a total of \$72,500 to refurbish a forklift and also to replace a forklift and a copy machine. The FY 2001 amount includes an increase of \$42,500, which, in combination with the FY 2000 funding, provides a total of \$115,000 to replace a forklift and a truck tractor. The FY 2001 appropriation also includes an increase of \$252,000 for increases in the cost of obtaining surplus materials.

**Preventative Maintenance Plan** — This Special Line Item consists of 7 new FTE Positions and \$501,000 from COSF in FY 2000 to begin a preventive maintenance plan for routine maintenance on the state's buildings. Funding is continued in FY 2001. Prior to expending any monies in FY 2000, ADOA is required to submit to the Joint

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Building and Planning Services and Construction Services FTE Positions								
<u>FTE Positions</u>	<u>FY 2000</u>				<u>FY 2001</u>			
	<u>Core Staff</u>	<u>Limited Staff</u>	<u>Project-Specific</u>	<u>Total</u>	<u>Core Staff</u>	<u>Limited Staff</u>	<u>Project-Specific</u>	<u>Total</u>
General Fund	0.00	0.00	9.00 <sup>1/</sup>	9.00	0.00	0.00	9.00 <sup>1/</sup>	9.00
Capital Outlay Stabilization Fund (COSF)	23.25	6.50	3.00	32.75	23.25	6.50	4.00	33.75
Corrections Fund	<u>5.75</u>	<u>1.50</u>	<u>32.00</u>	<u>39.25</u>	<u>5.75</u>	<u>1.50</u>	<u>16.00</u>	<u>23.25</u>
<b>TOTAL</b>	29.00	8.00	44.00	81.00	29.00	8.00	29.00	66.00

1/ Does not include 2 conditionally appropriated FTE Positions for Building Renewal in FY 2000.

Legislative Budget Committee (JLBC) its plan for preventative maintenance. The plan is to consist of the various equipment that would be covered under the plan, the proposed schedule for maintenance of the equipment, and records that will be kept in computerized format on all preventative maintenance activities. By November 1, 2000, the department also must report to the JLBC on the benefits provided by the preventative maintenance activities.

**Other Issues:** Tenant Services Staff — The approved amount includes a total of 194.5 FTE Positions to operate the Tenant Services section of the General Services Division. These positions are funded from the General Fund.

Building and Planning Services/Construction Services Staff — The table at the top of the page lists the 3 kinds of staffing for services related to planning and construction services. The “Core Staff” is intended to serve as the base construction management staff for ADOA building projects. The “Limited Staff” is a work-driven addition to the Core Staff, based on a determination of the requirements for the coming year. The positions listed in the table are intended to include all Building and Planning Services and Construction Services FTE Positions, with

the exception of positions to oversee inmate labor conducted through the inmate construction program. The “Project-Specific” positions listed are authorized in other legislation, such as the Capital Outlay Bill, for the duration of a construction project and are not included in the 295.5 appropriated FTE Positions for the General Services Division. (*Refer to the Capital Outlay section for a description of the Project-Specific positions.*)

The appropriation reflects a transfer of \$50,200 and 1 FTE Position from the General Fund to COSF beginning in FY 2000 so that all tenant improvement staff are part of Building and Maintenance Services, which is funded entirely from COSF.

Capital Outlay Stabilization Fund — COSF consists of monies collected by ADOA from state agencies for payment of rent for state-owned space in the Capitol Mall and Tucson Office Complex. The Capital Outlay Bill appropriates all collections of rent for state-owned buildings, in excess of the amounts appropriated in the General Appropriation Act and Capital Outlay Bill, to ADOA for Building Renewal. The following table estimates the fund’s activity.

Capital Outlay Stabilization Fund			
	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Cash Balance Beginning of Fiscal Year	\$ 4,874,400	\$ 3,147,200	\$ 1,697,100
Revenue:			
Rent Collections	<u>10,486,100</u>	<u>11,007,600</u>	<u>11,013,200</u>
Total Funds Available	\$15,360,500	\$14,154,800	\$12,710,300
Expenditures:			
Utilities	\$ 6,044,900	\$ 6,000,000	\$ 6,000,000
Building Renewal/Capital	3,500,000	0	3,500,000
Sexually Violent Persons Facility/Capital	0	3,080,400	0
Executive Tower Renovations/Capital	0	500,000	0
ADOA Operating Budget	1,865,700	2,376,300	2,007,600
Preventative Maintenance	0	501,000	504,900
Non-Lapsing Prior Year Appropriations	<u>802,700</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$12,213,300</u>	<u>\$12,457,700</u>	<u>\$12,012,500</u>
Cash Balance End of Fiscal Year	<u>\$ 3,147,200</u>	<u>\$ 1,697,100</u>	<u>\$ 697,800</u>